

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP DIRECTOR

FAX MEMO

TO:

Robert Smith, Housing Policy Analyst

Department of Housing and Community Development

Fax # (916) 327-2643

FROM:

Ted Bench, County Planning Dept.

Fax # (805) 781-5624 (ph.# 805/781-5701)

DATE:

Wednesday, Dec. 28, 2005

SUBJECT:

Cover page + 10 pages = 11 pages total

Hello! Thank you for your e-mail message reminding us to submit our annual WFH Progress Report. I am faxing our report to you. I am mailing the hard copy to you as well.

Thanks again.

RECEIVED

DEC 2 8 2005

DIV. OF HOUSING POLICY DEVELOPMENT HCD

COUNTY GOVERNMENT CENTER . SAN LUIS OBISPO .

CALIFORNIA 93408

(805) 781-5600

EMAIL: planning@co.slo.ca.us

FAX: (805) 781-1242

WEBSITE: http://www.sloplanning.org



ATTACHMENT D

WFH Annual Progress Report on Implementation of the Housing Element General Plan Report requirement pursuant to Section 65400 of the Government Code

	: County of San Luis				
Address:	Department of Planning & Building				
	County Government	Center, Room 300, Sa	an Luis Obispo, CA 93408		
Contact:	Ted Bench	Title:	Planner III		
Phone:	(805) 781-5701	E-mail:	tbench@co.slo.ca.us		
	Report Period:	<u>07/01/04</u> To:	06/30/05		

This report addresses the following topics:

A. Progress in meeting Regional Housing Need (See Page 2)

- 1. Total number of new housing permits issued
- 2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.
- 3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)
- B. The effectiveness of the housing element in attainment of the community's housing goals and objectives. (See Page 2)
 - Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
 - 2. Assess effectiveness of actions and outcomes
- C. Progress toward mitigating governmental constraints identified in the housing element. (See Page 9)

Page 2

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued

	Very Low & Lower	Moderate	Above Moderate	Total
Permits issued for units: 07/01/04 – 06/30/05	76	136	934	1,146

2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.

(See chart above)

3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

		Moderate	Above Moderate	Total
RHNA goals (units needed)	1,807	929	4,284	7,020
Units completed: 01/01/01 – 06/30/03 (2.5 years)	359	152	1,928	2,439
Units completed: 07/01/03 – 06/30/04	163	135	757	1,055
Units completed: 07/01/04 – 06/30/05	86	181	770	1,037
Remaining units needed	1,199	461	829	2,489

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

Program HE 1.1: Designate More Residential Land

In December 2005 County staff will complete its preliminary review of the urban communities within the unincorporated areas and identify sites that could be considered for rezoning to residential single or multi-family zoned land. In 2006 staff will discuss the potential zone changes with the appropriate Community Advisory Committees.

Additionally, the County initiated preparation of a new community plan for the town of Shandon. That plan is expected to provide more residentially zoned land by 2008.

Compliance with Program's Schedule: This program is approximately 14 months behind schedule.

Page 3

Program HE 1.2: Continue Existing Development Incentives

The County's existing development incentives continue to be used by a small but growing number of developers:

- Exemptions from the Growth Management Ordinance (GMO) for moderate and lower income housing units King Ventures obtained GMO exemptions for 16 of the 41 units in phase two of its project. King Ventures has applied for GMO exemptions for 21 more units in its new mixed-use project (Nipomo Center).
- Public Facilities Fees waivers on construction permits for lower income units seven requests were received and currently four have qualified for a fee waiver.
- Density Bonus Units no density bonus projects were approved during FY 2004/2005.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: In FY 200/2005, the development incentives resulted in the construction of 20 more affordable units (16 GMO exemptions + 4 fee waivers).

Program HE 1:3: Finance Infrastructure Supporting New Housing

This program was intended to create actions that would finance infrastructure before capacities of the infrastructure systems were reached. This program looks beyond the current methods of collecting fees from ongoing development just to obtain a gradual collection impact fees for roads and other facilities. Instead this program focused on finding more on creative methods to leverage those accumulated fees in a way that would finance infrastructure earlier than would be possible if the County waited until accumulated fee revenues were adequate to pay for construction of needed facilities. Here is what the County did:

- Two public workshops were held in 2004 to discuss a potential private/public partnership for a specific project. This project is the construction of a freeway overpass in order to ease traffic congestion and improve residential development opportunities (Willow Road overpass in Nipomo).
- Staff has identified other critical infrastructure improvements that are needed throughout the County (i.e., community drainage improvements in San Miguel).
- In February and March of 2005, the Board of Supervisors participated in strategic
 planning sessions outside of its normal schedule of public meetings to identify needed
 actions regarding a number of important topics, such as creative infrastructure
 financing. The Board members concluded that a team of key staff members from the
 Planning and Building Department, Public Works Department, County Counsel and the
 Administrative Office should collaborate and report to the Board in Fall of 2005
 regarding options and recommendations for financing infrastructure.
- As directed, a team of key staff members was formed and conducted research into single financing options and discussed strategies available to the County.
- The team presented its report on November 8, 2005 (but that event is outside of the 2004/05 fiscal year).

Page 4

Compliance with Program's Schedule: This program is approximately 12 months behind schedule.

Program Effectiveness: Not yet known.

Program HE 1:4: Revise Residential Standards

County staff is conducting a research of the high-density residential development standards used by other jurisdiction state-wide. In October of 2005, County staff will issue a Concept Paper and hold a series of community workshops to discuss possible zoning ordinance revisions that would encourage more multi-family projects to be developed (i.e., revised setback, height, parking, lot size, density and open space ordinances). Staff will consider the comments from the workshops before starting the public hearing process for ordinance revisions.

Compliance with Program's Schedule: This program is 12 months behind schedule.

Program Effectiveness: Not yet known.

Program HE 1:5: Revise Mixed-Use Standards

In January and February of 2006, Planning Department staff will conduct research and hold in-house meetings regarding the volume and type of mixed-use projects that should be encouraged. Staff will then begin a series of public meetings with Community Advisory Groups throughout the County to discuss possible zoning ordinance revisions that would encourage more mixed-used projects to be developed.

Compliance with Program's Schedule: This program is 14 months behind schedule...

Program Effectiveness: Not yet known.

Program HE 1:6: Revise Standards for Secondary Dwellings

A review committee of County staff was formed and a public workshop was held on Aug. 19, 2004 to review the County's secondary dwelling ordinances. Staff then issued a list of proposed revisions to the secondary dwelling standards on May 14, 2005. The changes are intended to streamline the permit process. Staff will now present the recommendations in series of public meetings with Community Advisory Groups throughout the County.

Compliance with Program's Schedule: This program is six months behind schedule.

Page 5

Program HE 1:7: Direct Financial Assistance for Housing

In FY 2004/2005 the County allocated federal funds to affordable housing projects located in the unincorporated areas and in the County's cities. The following projects were funded:

- The County allocated \$683,322 in federal funds to its First Time Home-buyer Program.
- \$325,000 in federal funds was allocated to a county-wide rental assistance program serving low/very low income clients in existing rental housing.
- A sum of \$1,131,079 in federal funds was allocated by the County to affordable housing projects being built within the County and participating cities, including a 30 unit apartment project and a 16 unit apartment project, both located in San Luis Obispo, and a 30 unit apartment project in Avila Beach
- The County allocated \$116,000 in federal funds to a nonprofit agency to repair an existing mental health housing and treatment facility.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: in FY 2004/2005, direct financial assistance from the County will fund the construction of 76 affordable apartment units, First Time Home-Buyer loans to 15 home buyers, and rental assistance to approximately 167 special needs households.

Program HE 1:8: Provide Funding for Housing Trust Fund

On July 22, 2003, the County granted \$225,000 to the new San Luis Obispo County Housing Trust Fund (HTF). The grant is being used as "seed" money by the HTF, and is used to match contributions that the HTF receives from other sources. To date the HTF has been recognized by the state and federal governments as non-profit organization and a California Community Development Financial Institution (CDFI), has secured over \$2 million in assets, and has a full time staff along with an executive committee and bylaws. During the FY 2004/2005 period, the HTF spent down \$160,652.30 in County funds, provided counseling services to government and nonprofit agencies, and issued a \$283,300 loan towards an affordable housing project (acquisition of a 5 unit apartment building by Family Care Network, Inc.). The HTF will underwrite a \$700,000 loan to pay for completion of a 19 unit senior apartment project.

Compliance with Program's Schedule: HTF has met all the requirements of its contract with the County. It is a fully established nonprofit financial assistance agency for affordable housing projects. The HTF continues to build on its fund raising efforts, and to pursue investors for its CDFI tax credits. It has also joined state-wide efforts to establish a state housing trust fund with a reliable revenue source.

Program Effectiveness: The HTF has been successful in establishing itself, and is exploring. ... its options in securing reliable funding sources.

Page 6

Program HE 1:9: Require Development of Affordable Housing

County staff is preparing a draft inclusionary housing ordinance to be brought before the County Board of Supervisors for consideration. Since June of 2004, staff has prepared a research paper and held three public workshops plus several group meetings with key stakeholder groups. A draft ordinance will be prepared in January 2006. A consultant will then be chosen to prepare an Environmental Impact Report, a nexus study (for linkage fee) and a financial feasibility study before the draft ordinance is presented to the Board of Supervisors.

Compliance with Program's Schedule: This program is approximately 12 months behind _. schedule.

Program Effectiveness: Not yet known.

Program HE 1:10: Establish Minimum Residential Multi Family Densities

In December 2005 County staff will review the urban communities within the county's jurisdiction, and look for multi-family zoned areas that could be considered for assignment of a minimum residential density requirement. Staff will then discuss the potential zone standards with the appropriate Community Advisory Committees.

Compliance with Program's Schedule: This program is approximately 12 months behind schedule.

Program Effectiveness: Not yet known.

Program HE 1:11: Create Master Planned Communities

Activity initiated under this program evolved somewhat differently (and with more success) than originally envisioned. The County originally anticipated processing an amendment to the Land Use Element to clarify that private parties could submit applications to the County to establish new towns or master-planned communities. But after private parties had applied to amend the County General Plan to facilitate significant develop around the small town of Shandon (pop 1,000), the County chose to consolidate those applications into a program to establish a master-planned community that comprised of the existing town and its immediate surroundings. On March 1, 2005, the County and three major applicants entered into a written agreement providing for a 3-year planning process and public-private cooperation in funding for the process. Shandon is a pilot project for creating master-planned communities from the seed of a very small town. Lessons leaned may help repeat this process for other towns.

Compliance with Program's Schedule: Staff is on schedule. A round of public workshops with the Shandon Advisory Committee were completed in the spring and summer of 2004. The community plan/amendment process formally began with the execution of the program

Page 7

agreement in March of 2005. The planning process may take longer that the time frame allotted for this program in the Housing Element.

Program Effectiveness: Not yet known.

Program HE 1:12: Facilitate Affordable Housing

County staff encouraged and advised local community groups regarding their efforts to form a housing advocacy group now called the "Workforce Housing Coalition" (WHC). The WHC members include twelve organizations such as the League of Women Voters, Habitat for Humanity, Home Builders Association, SLO County Builders Exchange, and two non-profit. housing developers. During FY 2004/2005 year, this group developed guidelines regarding which housing developments it would officially support and how that support would be communicated. It has created a Website (http://www.slowhc.org), conducted educational workshops regarding the need for higher density housing development, sponsored letters and attended at least nine public hearings to support several new housing developments and housing programs that included affordable housing. The WHC continues to expand its members and supporters.

Additionally, County staff conducted training for its ten community advisory committees and its Planning Commission members regarding the need for affordable housing and density, as well as requirements of state law regarding affordable housing.

The County is a member of the San Luis Obispo Supportive Housing Consortium, a group that includes over twenty non-profit human services organizations that have joined in order to pool resources and coordinate activities to provide housing for at-risk and special needs segments of the population. The County provides federal funding to the Housing Consortium's Tenant-Based Rental Assistance Program (TBRA). The County has also partnered with a homeless services group to manage the funds from the federal Supportive Housing Program (SHP). The SHP partnerships includes the County Department of Planning & Building, County Mental Health Department, and the Economic Opportunity Commission.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity. In addition, County staff will begin a series of meetings with the ten Community Advisory Groups regarding housing needs and revisions to the County's housing ordinances.

Program Effectiveness: In July, 2004, County staff invited the WHC to participate in the public hearings for a controversial 30 unit low/very low income apartment project in a high cost coastal community (Avila Beach). The project was approved. The WHC also attends hearings for affordable projects within the local cities. In FY 2004/2005 the County allocated \$325,000 to the TBRA Program for special needs households, and helped the SHP partnership to obtain a grant of \$848,222 for the SHP homeless services program.

Page 8

Program HE 2.1: Rehabilitate 100 Housing Units

A successful county-wide minor home repair program for low and very low income households is operated by the Economic Opportunity Commission. This program has a general contractor's license and a staff of 34 employees. It repairs an average of 3,500 houses annually by doing weatherization and minor home repairs. Between 1996 and 2001. San Luis Obispo County allocated \$257,009 in federal funds to the program. The program has several other revenue sources and has not used all of the County allocated funds.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: County funds covered the cost of extensive repairs to 12 low income houses. Typical repairs include addition of wheelchair ramps, replacement of deteriorated plumbing, bathroom floors and shower stalls, kitchen cooking surfaces, and re-roofing.

Program HE 2.2: Ensure That Affordable Housing Remains Affordable

The County is reviewing its affordable housing ordinance in light of the existing local real estate market and mortgage lending practices. The county could revise its current practice of using a "windfall recapture instrument" to maintain the affordability of ownership housing for a 30 year term. The County will continue to insure that affordable rental housing remains affordable through deed restrictions.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: Despite a fourfold increase in local housing prices since 1995, this program continues to be effective in preventing the loss of affordable housing. A total of 18 residential ownership units have been sold with a County affordable housing agreement on title since 2001, and 15 of these agreements remain active. A total of three residential rental units have been built pursuant to a long-term affordability agreement with the County.

Program HE 2.3: Address Mobilehome Park Conversions

County staff held a public workshop in July 2004 regarding this program. Staff is currently reviewing the applicable body of state law and also mobile home park ordinances that were prepared by other jurisdictions and organizations. In the second half of 2005 staff will issue a concept paper, hold public workshops and prepare a draft ordinance. The public hearing process for ordinance revisions (to the mobilehome park ordinance) is anticipated to begin in. February 2006.

Compliance with Program's Schedule: This program is six months behind schedule.

٠. ..

County of San Luis Obispo WFH Annual Progress Report FY 2004/2005

Page 9

C. Progress towards mitigating governmental constraints identified in the Housing Element.

Note: the Housing Element described several governmental constraints and suggested actions that County staff could take. The status of these recommended actions are summarized below.

Uncertainty surrounding the permit process and public support for a project.

Residential projects of all price levels that are well design and suitably located are more successful in gaining public support and quick permit approval. County staff is working to encourage and reward well-designed development projects in several ways:

- Section B above describes how, in compliance with the Housing Element programs, County staff is reviewing several ordinances and may propose changes that will support attractive, denser housing development (i.e., revised setback, height, parking, lot size, density and open space requirements).
- County staff has begun the process of making the community of Shandon the center of a planned master community program. The amended community plan shall allow a pattern of growth that is beneficial to both the community and its new residents.
- County staff has met with specialized developers from within the County and from out
 of the area (i.e., the Olson Company, People's Self-Help Housing Corp.) to assist the
 developers in understanding the County ordinances and identifying potential project
 sites.
- On July 11-13, 2005, County Planning & Building Department held an Organizational Effective Cycle retreat, to address the issues regarding a balance between support for housing development and protection of environmental resources. In the retreat, the County staff discussed ways (to further on-going efforts) to streamline the County's permit process and reduce permitting uncertainty. A staff team was formed. The team's objective is to continue the County's ongoing permit streamlining efforts and introduce additional incentives to encourage "smart growth" principals and affordable housing units. This activity was done outside of the FY 2004/2005 time period.

Land Use Controls and the Growth Management Ordinance

The building, subdivision and land use regulations in the County are similar to those of other jurisdictions and do not place an unnecessary burden on new development. The Growth Management Ordinance (GMO) does not prevent the amount of new housing from meeting the goals of the County's Regional Housing Needs Assessment (RHNA). This is because low and moderate housing is exempt from the GMO and their development is not restricted. The number of above moderate housing units that is allowed each year by the GMO meets the RHNA goals.

Page 10

Site Improvement Requirements

The costs of on-site/off-site improvements could be lowered if the standards were reduced. For example, if streets and sidewalks could be narrower or safely merged. Such ordinance changes are being made in commercial zones of central business districts around the County (i.e., traffic calming improvements with attractive streetscape features). And staff review of the ordinances may lead to ordinance amendments that would allow denser residential development with lower parking, setback and open space requirements.



SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP DIRECTOR

FAX MEMO

TO:

Robert Smith, Housing Policy Analyst

Department of Housing and Community Development

Fax # (916) 327-2643

FROM:

Ted Bench, County Planning Dept.

Fax # (805) 781-5624 (ph.# 805/781-5701)

RECEIVED

JAN 0 3 ANS'D

DATE:

Wednesday, Dec. 28, 2005

SUBJECT:

DIV. OF HOUSING POLICY DEVELOPMENT HED

Cover page + 10 pages = 11 pages total

Hello! Thank you for your e-mail message reminding us to submit our annual WFH Progress Report. I am faxing our report to you. I am mailing the hard copy to you as well.

Thanks again.

COUNTY GOVERNMENT CENTER • SAN LUIS OBISPO • CALIFORNIA 93408 • (805) 781-5600

EMAIL: planning@co.slo.ca.us • FAX: (805) 781-1242 • WEBSITE: http://www.sloplanning.org

ATTACHMENT D

WFH Annual Progress Report on Implementation of the Housing Element

General Plan Report requirement pursuant to Section 65400 of the Government Code

Jurisdiction:	County of San Luis Obispo			
Address:	Department of Planning & B	uilding		
	County Government Center		San Luis Obispo, CA 93408	3
Contact:	Ted Bench	Title:	Planner III	
Phone:	(805) 781-5701	E-mail: tbench@co.sle		;
	Report Period:07/0) <u>1/04</u> T	o:06/30/05	

This report addresses the following topics:

A. Progress in meeting Regional Housing Need (See Page 2)

- 1. Total number of new housing permits issued
- 2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.
- 3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)
- B. The effectiveness of the housing element in attainment of the community's housing goals and objectives. (See Page 2)
 - Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
 - 2. Assess effectiveness of actions and outcomes
- C. Progress toward mitigating governmental constraints identified in the housing element. (See Page 9)

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued

	Very Low & Lower	Moderate	Above Moderate	Total
Permits issued for units: 07/01/04 – 06/30/05	76	136	934	1,146

2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.

(See chart above)

3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

	Very Low & Lower	Moderate	Above Moderate	Total
RHNA goals (units needed)	1,807	929	4,284	7,020
Units completed: 01/01/01 – 06/30/03 (2.5 years)	359	152	1,928	2,439
Units completed: 07/01/03 – 06/30/04	163	135	757	1,055
Units completed: 07/01/04 - 06/30/05	86	181	770	1,037
Remaining units needed	1,199	461	829	2,489

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

Program HE 1.1: Designate More Residential Land

In December 2005 County staff will complete its preliminary review of the urban communities within the unincorporated areas and identify sites that could be considered for rezoning to residential single or multi-family zoned land. In 2006 staff will discuss the potential zone changes with the appropriate Community Advisory Committees.

Additionally, the County initiated preparation of a new community plan for the town of Shandon. That plan is expected to provide more residentially zoned land by 2008.

Compliance with Program's Schedule: This program is approximately 14 months behind schedule.

Program HE 1.2: Continue Existing Development Incentives

The County's existing development incentives continue to be used by a small but growing number of developers:

- Exemptions from the Growth Management Ordinance (GMO) for moderate and lower income housing units – King Ventures obtained GMO exemptions for 16 of the 41 units in phase two of its project. King Ventures has applied for GMO exemptions for 21 more units in its new mixed-use project (Nipomo Center).
- Public Facilities Fees waivers on construction permits for lower income units seven requests were received and currently four have qualified for a fee waiver.
- Density Bonus Units no density bonus projects were approved during FY 2004/2005.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: In FY 200/2005, the development incentives resulted in the construction of 20 more affordable units (16 GMO exemptions + 4 fee waivers).

Program HE 1:3: Finance Infrastructure Supporting New Housing

This program was intended to create actions that would finance infrastructure before capacities of the infrastructure systems were reached. This program looks beyond the current methods of collecting fees from ongoing development just to obtain a gradual collection impact fees for roads and other facilities. Instead this program focused on finding more on creative methods to leverage those accumulated fees in a way that would finance infrastructure earlier than would be possible if the County waited until accumulated fee revenues were adequate to pay for construction of needed facilities. Here is what the County did:

- Two public workshops were held in 2004 to discuss a potential private/public partnership for a specific project. This project is the construction of a freeway overpass in order to ease traffic congestion and improve residential development opportunities (Willow Road overpass in Nipomo).
- Staff has identified other critical infrastructure improvements that are needed throughout the County (i.e., community drainage improvements in San Miguel).
- In February and March of 2005, the Board of Supervisors participated in strategic planning sessions outside of its normal schedule of public meetings to identify needed actions regarding a number of important topics, such as creative infrastructure financing. The Board members concluded that a team of key staff members from the Planning and Building Department, Public Works Department, County Counsel and the Administrative Office should collaborate and report to the Board in Fall of 2005 regarding options and recommendations for financing infrastructure.
- As directed, a team of key staff members was formed and conducted research into financing options and discussed strategies available to the County.
- The team presented its report on November 8, 2005 (but that event is outside of the 2004/05 fiscal year).

Compliance with Program's Schedule: This program is approximately 12 months behind schedule.

Program Effectiveness: Not yet known.

Program HE 1:4: Revise Residential Standards

County staff is conducting a research of the high-density residential development standards used by other jurisdiction state-wide. In October of 2005, County staff will issue a Concept Paper and hold a series of community workshops to discuss possible zoning ordinance revisions that would encourage more multi-family projects to be developed (i.e., revised setback, height, parking, lot size, density and open space ordinances). Staff will consider the comments from the workshops before starting the public hearing process for ordinance revisions.

Compliance with Program's Schedule: This program is 12 months behind schedule.

Program Effectiveness: Not yet known.

Program HE 1:5: Revise Mixed-Use Standards

In January and February of 2006, Planning Department staff will conduct research and hold in-house meetings regarding the volume and type of mixed-use projects that should be encouraged. Staff will then begin a series of public meetings with Community Advisory Groups throughout the County to discuss possible zoning ordinance revisions that would encourage more mixed-used projects to be developed.

Compliance with Program's Schedule: This program is 14 months behind schedule...

Program Effectiveness: Not yet known.

Program HE 1:6: Revise Standards for Secondary Dwellings

A review committee of County staff was formed and a public workshop was held on Aug. 19, 2004 to review the County's secondary dwelling ordinances. Staff then issued a list of proposed revisions to the secondary dwelling standards on May 14, 2005. The changes are intended to streamline the permit process. Staff will now present the recommendations in series of public meetings with Community Advisory Groups throughout the County.

Compliance with Program's Schedule: This program is six months behind schedule.

Program HE 1:7: Direct Financial Assistance for Housing

In FY 2004/2005 the County allocated federal funds to affordable housing projects located in the unincorporated areas and in the County's cities. The following projects were funded:

- The County allocated \$683,322 in federal funds to its First Time Home-buyer Program.
- \$325,000 in federal funds was allocated to a county-wide rental assistance program serving low/very low income clients in existing rental housing.
- A sum of \$1,131,079 in federal funds was allocated by the County to affordable housing projects being built within the County and participating cities, including a 30 unit apartment project and a 16 unit apartment project, both located in San Luis Obispo, and a 30 unit apartment project in Avila Beach
- The County allocated \$116,000 in federal funds to a nonprofit agency to repair an existing mental health housing and treatment facility.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: in FY 2004/2005, direct financial assistance from the County will fund the construction of 76 affordable apartment units, First Time Home-Buyer loans to 15 home buyers, and rental assistance to approximately 167 special needs households.

Program HE 1:8: Provide Funding for Housing Trust Fund

On July 22, 2003, the County granted \$225,000 to the new San Luis Obispo County Housing Trust Fund (HTF). The grant is being used as "seed" money by the HTF, and is used to match contributions that the HTF receives from other sources. To date the HTF has been recognized by the state and federal governments as non-profit organization and a California Community Development Financial Institution (CDFI), has secured over \$2 million in assets, and has a full time staff along with an executive committee and bylaws. During the FY 2004/2005 period, the HTF spent down \$160,652.30 in County funds, provided counseling services to government and nonprofit agencies, and issued a \$283,300 loan towards an affordable housing project (acquisition of a 5 unit apartment building by Family Care Network, Inc.). The HTF will underwrite a \$700,000 loan to pay for completion of a 19 unit senior apartment project.

Compliance with Program's Schedule: HTF has met all the requirements of its contract with the County. It is a fully established nonprofit financial assistance agency for affordable housing projects. The HTF continues to build on its fund raising efforts, and to pursue investors for its CDFI tax credits. It has also joined state-wide efforts to establish a state housing trust fund with a reliable revenue source.

Program Effectiveness: The HTF has been successful in establishing itself, and is exploring its options in securing reliable funding sources.

Program HE 1:9: Require Development of Affordable Housing

County staff is preparing a draft inclusionary housing ordinance to be brought before the County Board of Supervisors for consideration. Since June of 2004, staff has prepared a research paper and held three public workshops plus several group meetings with key stakeholder groups. A draft ordinance will be prepared in January 2006. A consultant will then be chosen to prepare an Environmental Impact Report, a nexus study (for linkage fee) and a financial feasibility study before the draft ordinance is presented to the Board of Supervisors.

Compliance with Program's Schedule: This program is approximately 12 months behind schedule.

Program Effectiveness: Not yet known.

Program HE 1:10: Establish Minimum Residential Multi Family Densities

In December 2005 County staff will review the urban communities within the county's jurisdiction, and look for multi-family zoned areas that could be considered for assignment of a minimum residential density requirement. Staff will then discuss the potential zone standards with the appropriate Community Advisory Committees.

Compliance with Program's Schedule: This program is approximately 12 months behind schedule.

Program Effectiveness: Not yet known.

Program HE 1:11: Create Master Planned Communities

Activity initiated under this program evolved somewhat differently (and with more success) than originally envisioned. The County originally anticipated processing an amendment to the Land Use Element to clarify that private parties could submit applications to the County to establish new towns or master-planned communities. But after private parties had applied to amend the County General Plan to facilitate significant develop around the small town of Shandon (pop 1,000), the County chose to consolidate those applications into a program to establish a master-planned community that comprised of the existing town and its immediate surroundings. On March 1, 2005, the County and three major applicants entered into a written agreement providing for a 3-year planning process and public-private cooperation in funding for the process. Shandon is a pilot project for creating master-planned communities from the seed of a very small town. Lessons leaned may help repeat this process for other towns.

Compliance with Program's Schedule: Staff is on schedule. A round of public workshops with the Shandon Advisory Committee were completed in the spring and summer of 2004. The community plan/amendment process formally began with the execution of the program

agreement in March of 2005. The planning process may take longer that the time frame allotted for this program in the Housing Element.

Program Effectiveness: Not yet known.

Program HE 1:12: Facilitate Affordable Housing

County staff encouraged and advised local community groups regarding their efforts to form a housing advocacy group now called the "Workforce Housing Coalition" (WHC). The WHC members include twelve organizations such as the League of Women Voters, Habitat for Humanity, Home Builders Association, SLO County Builders Exchange, and two non-profit housing developers. During FY 2004/2005 year, this group developed guidelines regarding which housing developments it would officially support and how that support would be communicated. It has created a Website (http://www.slowhc.org), conducted educational workshops regarding the need for higher density housing development, sponsored letters and attended at least nine public hearings to support several new housing developments and housing programs that included affordable housing. The WHC continues to expand its members and supporters.

Additionally, County staff conducted training for its ten community advisory committees and its Planning Commission members regarding the need for affordable housing and density, as well as requirements of state law regarding affordable housing.

The County is a member of the San Luis Obispo Supportive Housing Consortium, a group that includes over twenty non-profit human services organizations that have joined in order to pool resources and coordinate activities to provide housing for at-risk and special needs segments of the population. The County provides federal funding to the Housing Consortium's Tenant-Based Rental Assistance Program (TBRA). The County has also partnered with a homeless services group to manage the funds from the federal Supportive Housing Program (SHP). The SHP partnerships includes the County Department of Planning & Building, County Mental Health Department, and the Economic Opportunity Commission.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity. In addition, County staff will begin a series of meetings with the ten Community Advisory Groups regarding housing needs and revisions to the County's housing ordinances.

Program Effectiveness: In July, 2004, County staff invited the WHC to participate in the public hearings for a controversial 30 unit low/very low income apartment project in a high cost coastal community (Avila Beach). The project was approved. The WHC also attends hearings for affordable projects within the local cities. In FY 2004/2005 the County allocated \$325,000 to the TBRA Program for special needs households, and helped the SHP partnership to obtain a grant of \$848,222 for the SHP homeless services program.

Program HE 2.1: Rehabilitate 100 Housing Units

A successful county-wide minor home repair program for low and very low income households is operated by the Economic Opportunity Commission. This program has a general contractor's license and a staff of 34 employees. It repairs an average of 3,500 houses annually by doing weatherization and minor home repairs. Between 1996 and 2001, San Luis Obispo County allocated \$257,009 in federal funds to the program. The program has several other revenue sources and has not used all of the County allocated funds.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: County funds covered the cost of extensive repairs to 12 low income houses. Typical repairs include addition of wheelchair ramps, replacement of deteriorated plumbing, bathroom floors and shower stalls, kitchen cooking surfaces, and re-roofing.

Program HE 2.2: Ensure That Affordable Housing Remains Affordable

The County is reviewing its affordable housing ordinance in light of the existing local real estate market and mortgage lending practices. The county could revise its current practice of using a "windfall recapture instrument" to maintain the affordability of ownership housing for a 30 year term. The County will continue to insure that affordable rental housing remains affordable through deed restrictions.

Compliance with Program's Schedule: This program is in compliance for being an on-going activity.

Program Effectiveness: Despite a fourfold increase in local housing prices since 1995, this program continues to be effective in preventing the loss of affordable housing. A total of 18 residential ownership units have been sold with a County affordable housing agreement on title since 2001, and 15 of these agreements remain active. A total of three residential rental units have been built pursuant to a long-term affordability agreement with the County.

Program HE 2.3: Address Mobilehome Park Conversions

County staff held a public workshop in July 2004 regarding this program. Staff is currently reviewing the applicable body of state law and also mobile home park ordinances that were prepared by other jurisdictions and organizations. In the second half of 2005 staff will issue a concept paper, hold public workshops and prepare a draft ordinance. The public hearing process for ordinance revisions (to the mobilehome park ordinance) is anticipated to begin in February 2006.

Compliance with Program's Schedule: This program is six months behind schedule.

C. Progress towards mitigating governmental constraints identified in the Housing Element.

Note: the Housing Element described several governmental constraints and suggested actions that County staff could take. The status of these recommended actions are summarized below.

Uncertainty surrounding the permit process and public support for a project.

Residential projects of all price levels that are well design and suitably located are more successful in gaining public support and quick permit approval. County staff is working to encourage and reward well-designed development projects in several ways:

- Section B above describes how, in compliance with the Housing Element programs, County staff is reviewing several ordinances and may propose changes that will support attractive, denser housing development (i.e., revised setback, height, parking, lot size, density and open space requirements).
- County staff has begun the process of making the community of Shandon the center of a planned master community program. The amended community plan shall allow a pattern of growth that is beneficial to both the community and its new residents.
- County staff has met with specialized developers from within the County and from out
 of the area (i.e., the Olson Company, People's Self-Help Housing Corp.) to assist the
 developers in understanding the County ordinances and identifying potential project
 sites.
- On July 11-13, 2005, County Planning & Building Department held an Organizational Effective Cycle retreat, to address the issues regarding a balance between support for housing development and protection of environmental resources. In the retreat, the County staff discussed ways (to further on-going efforts) to streamline the County's permit process and reduce permitting uncertainty. A staff team was formed. The team's objective is to continue the County's ongoing permit streamlining efforts and introduce additional incentives to encourage "smart growth" principals and affordable housing units. This activity was done outside of the FY 2004/2005 time period.

Land Use Controls and the Growth Management Ordinance

The building, subdivision and land use regulations in the County are similar to those of other jurisdictions and do not place an unnecessary burden on new development. The Growth Management Ordinance (GMO) does not prevent the amount of new housing from meeting the goals of the County's Regional Housing Needs Assessment (RHNA). This is because low and moderate housing is exempt from the GMO and their development is not restricted. The number of above moderate housing units that is allowed each year by the GMO meets the RHNA goals.

Site Improvement Requirements

The costs of on-site/off-site improvements could be lowered if the standards were reduced. For example, if streets and sidewalks could be narrower or safely merged. Such ordinance changes are being made in commercial zones of central business districts around the County (i.e., traffic calming improvements with attractive streetscape features). And staff review of the ordinances may lead to ordinance amendments that would allow denser residential development with lower parking, setback and open space requirements.